



June 21, 2004

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
445 12th Street, S.W.
Washington, DC 20554

ATTN: John Berresford, Room 3-A662, Media Bureau

*Re: Comment on Over-the-Air Broadcast Television Viewers
MB Docket No. 04-210*

Dear Ms. Dortch:

I am writing to provide the comments of Kennebec Telephone Company on the FCC Media Bureau's proposed options for minimizing the disruption to consumers when the switch-over to digital broadcasting occurs. In particular, the FCC wants to know how it should deal with those over-the-air broadcast television viewers who do not have access to digital televisions or DTV-to-analog conversion equipment when analog broadcasting is ceased. As discussed below, we are in favor of subsidies from future auction revenues, but we are against any imposition of retroactive costs on existing 700 MHz band licensees.

Kennebec is a rural telephone company and small business with a demonstrated commitment to providing high-quality telephone and other telecommunications services to its customers in the communities of Presho and Kennebec located in south central South Dakota. We obtained licenses in the Lower 700 MHz Band Service as a way to improve and expand upon the services that we provide to customers both within and outside of our current wireline operating territory. We hope to begin construction of our 700 MHz band network, and the provision of advanced wireless services to rural consumers, once suitable equipment is available.

We strongly support the Media Bureau's goals of ensuring a timely and predictable end to the DTV transition while at the same time minimizing disruption to consumers. To this end, we believe that government action to facilitate the transition is warranted and the FCC should recommend that Congress design some type of assistance or subsidization program that would help consumers to purchase a digital-to-analog converter box, a DTV tuner, or to help pay for a cable or satellite subscription (allowing consumers to choose how they receive digital programming).

We also believe it would be appropriate for the Commission to use future auction proceeds to help pay for such a program. However, the Media Bureau must not look (or recommend that Congress look) to existing 700 MHz band licensees as a source of funding for the conversion of consumers' analog-only equipment or for any other mandatory band-clearing initiatives. We have already paid for our licenses under rules that did not require new licensees to help pay for band-clearing efforts, and we did not have any opportunity to factor these costs into our valuation of the 700 MHz spectrum. The retroactive imposition of relocation costs would be unfair and unduly burdensome to small businesses and rural telephone companies and would delay the introduction of advanced wireless services to rural areas.

Our customers have current needs that can be met by 700 MHz, which is especially well suited to rural areas because of its signal propagation characteristics. To this end, the Commission should take whatever steps are necessary to clear the 700 MHz band of incumbent broadcasters at the earliest possible date. But if our status as a 700 MHz licensee means that we will have to use our limited resources to help pay for the transition to DTV, then these additional costs will make it far more difficult, if not impossible, for us to provide innovative voice and data services at an affordable cost to rural consumers.

Very truly yours,

KENNEBEC TELEPHONE COMPANY

A handwritten signature in black ink, appearing to read "Rod Bowar", written in a cursive style.

Rod Bowar
President

cc: Rick Chessen, Media Bureau (Room 3-A726)